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Legislative Notice

Editor, Judy Gorman Prinkey

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S. 2160 – The 1999 Military Construction Appropriation Bill

Calendar No. 410

Reported from the Committee on Appropriations on June 11, 1998, by a vote of 27-0, S. Rept. 105-213.

NOTEWORTHY

- It is likely the Senate will take up this bill before it recesses for the Fourth of July.
- S. 2160 provides a total of \$8.48 billion in new spending authority for military construction for FY 1999, which places it about squarely between the President's request and last year's funding amount. It is \$702.7 million less than the amount appropriated for FY 1998, but \$696.5 million more than the President's request of approximately \$7.8 billion. The recommendation meets the budget authority and outlay limits established in the 302(b) allocation.
- Report language expresses the Committee's concerns that the requested funding level reflects a lack of commitment by the Administration to reduce the serious backlog of readiness, revitalization and quality-of-life projects. The report points to the fact that 22 percent of the Administration's military construction request is solely for base realignment and closure accounts.
- In an effort to address some of these concerns, the bill provides funding above the FY 1999 budget request, including: \$141.7 million more for the barracks construction program; \$98.3 million more to improve existing family housing and build new family housing units within the Department of Defense; and \$200 million more for critical quality-of-life projects including child care centers, modernization and replacement of barracks, dining facilities, family housing projects, physical fitness and recreation centers, health clinics, and family support centers.
- The House is expected to begin and complete consideration of its version of this bill, H.R. 4059, on Monday, June 22.

BACKGROUND

The Military Construction Appropriation bill provides necessary funding for the planning, design, construction, alteration and improvement of military facilities worldwide, both for the Active and Reserve Forces. It also finances construction, alteration, improvement, operation, and maintenance of military family housing, including payment against past housing mortgage indebtedness. The bill is also the source for the U.S. share of the NATO Security Investment Program. In addition, it provides funding to implement base closure and realignments authorized by law.

HIGHLIGHTS

Summary of Recommendations

The Committee Report highlights that the budget request for FY 1999 reflects a reduction of \$1.4 billion from the amount enacted in FY 1998. The Committee notes, with great concern, the continuous underinvestment by the DoD in military facilities and infrastructure, and cites that the Administration's budget request does not provide sufficient resources to continue the Department's efforts to modernize, renovate, and improve aging defense facilities. The requested funding level, according to the Committee, reflects a lack of commitment by the Administration to reduce the serious backlog of readiness, revitalization and quality-of-life projects. The Committee urges the Department to develop a comprehensive funding strategy and plan to address these serious infrastructure problems.

Quality-of-Life Initiative

Citing the belief that quality of life has a positive impact on retention, and accordingly is a vital element in ensuring our readiness, the Committee recommended an additional \$200 million for critical quality-of-life projects throughout the DoD. These projects include child care centers, modernization and replacement of barracks, dining facilities, family housing projects, physical fitness and recreation centers, health clinics, and family support centers. The Committee also urges the Department to ensure that the military departments provide a sustained level of investment in those facilities which enhance quality of life.

Overseas Construction

While recognizing the importance of providing improvements to overseas facilities, the Committee also believes there is a strong likelihood of additional force reductions in the next few years. The Committee believes the Department should be particularly conservative in making

additional construction commitments overseas and therefore urges the DoD to consider every opportunity to lease facilities or share infrastructure with host nations, where possible. Accordingly, the Committee has recommended funding only those most essential service priorities overseas.

Environmental Compliance Projects

The Department requested \$88.1 million for environmental compliance project construction, and the Committee recommended funding of \$96.8 million for 15 projects.

Base Realignment and Closure (BRAC)

The bill provides \$1.7 billion for base realignment and closure. The Committee again asks the General Accounting Office (GAO) to continue its annual review of the base closure accounts. In particular, the Committee seeks GAO's assistance in validating the requests for individual construction projects, the operation and maintenance costs, and the environmental cleanup costs associated with base closures and realignments.

Single-Member Housing

While recognizing the need for better barracks and dormitories for our service members, the Committee also remains concerned that requiring all new construction to meet a one-plus-one standard (providing every unaccompanied service member — who are likely to be the most junior enlisted members of the military — a private room) is unreasonable, expensive and may not be required to solve a critical retention or morale problem. The Committee, however, strongly supports the requirement for junior noncommissioned officers to have private rooms. Therefore, the bill provides \$708.4 million for 46 barracks construction projects in FY 1999, an increase of \$141.7 million over the budget request.

BILL PROVISIONS

Military Construction

- The bill provides a total of \$3 billion for military construction, of which \$2.6 billion is for the active components, as follows:
 - Army \$810.5 million
 - Navy \$559.3 million
 - Air Force \$627.9 million
 - Defense-Wide \$571.5 million
- The appropriated amount for the active component represents an aggregate reduction of \$177 million for active component construction from the amount enacted last year.

- The bill provides a total of \$446.5 million for the reserve components, as follows:

- Army National Guard	\$124.6 million
- Air National Guard	\$163.2 million
- Army Reserve	\$114.3 million
- Naval Reserve	\$ 21.6 million
- Air Force Reserve	\$ 22.8 million
- The amount appropriated for the reserve components is a reduction of \$18 million from the FY 1998 level.

Chemical Demilitarization

- The budget request identified a requirement of \$137.5 million for the construction of chemical weapon demilitarization facilities in FY 1999. The Committee recommends a total of \$87.5 million, a decrease of \$50 million from the budget request because of delays in obtaining the required construction and environmental purposes. Further, the Committee does not support the Department's transfer of this program's funds to the Army MilCon Program, believing the focus must remain at the Office of the Secretary of Defense rather than at the service level.

Medical Facilities

- The budget request included \$204.8 million for 23 projects and for unspecified minor construction to provide hospital and medical facilities, including treatment, training, and medical research and development facilities. The Committee recommends funding for 28 projects for a total of \$234.5 million, which funds five additional projects and is \$29.7 million over the budget request.

North Atlantic Treaty Organization Security Investment Program (NSIP)

- The Committee provided \$152.6 million for the NATO Security Investment Program, which is \$32.4 million below the President's request but equal to the FY 1998 appropriated level. The Committee cites its concern that the Department intends to use NSIP funds to help pay for initiatives under the Partnership for Peace (PfP) Program for countries outside of NATO. In FY 1998, the PfP Program received \$40 million to pay for these types of activities in non-NATO countries within Europe.

Family Housing

- A total of \$3.6 billion is provided to improve existing family housing and build new family housing units within the Department of Defense. This is \$98.3 million over the budget request and a reduction of \$316.7 million below the FY 1998 appropriated amount.
- The Committee is concerned that the Department is delaying the execution of family housing construction projects for which funds have been appropriated, for possible transfer into the family housing improvement fund. The Committee strongly urges the

Department to ensure the timely execution of military family housing construction projects for which funds have been appropriated by Congress in prior years.

Base Closure and Realignment (BRAC)

- The Committee approved \$1.7 billion, the budget request, for base closure and realignment activities during FY 1999. This amount equates to approximately 22 percent of the total funding contained in this bill. This includes full funding for the requirements of environmental cleanup at closed, closing, and realigned bases, and represents a reduction of \$331.2 million from the amount appropriated for FY 1998.

Government Performance and Results Act

The Committee encourages the Department to establish specific performance goals and measures in its FY 2000 submission to Congress that address key indicators concerning military infrastructure and construction. These measures should include reduction of real property maintenance backlogs, improvement of family housing, modernization of unaccompanied personnel housing, and efforts to address critical shortfalls of quality-of-life facilities.

COST

Projected outlays associated with the recommendations are as follows: FY 1999: \$2.648 billion; FY 2000: \$2.837 billion; FY 2001: \$1.617 billion; FY 2002: \$822 million; FY 2003 and future years: \$417 million.

POSSIBLE AMENDMENTS

There were no known amendments at press time.

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[Attachment: Chart]

Military Construction Appropriation Bill, 1999

(Selected Programs)

<u>Appropriation Account</u>	<u>1998 adjusted</u>	<u>Budget estimate</u>	<u>Committee Recommendation</u>
<u>Military Construction</u>			
Total, Active components	\$2,746,240,000	\$2,205,511,000	\$2,569,085,000
Total, Reserve components	\$464,233,000	\$179,529,000	\$446,565,000
<i>Total, Military Construction</i>	<i>\$3,210,473,000</i>	<i>\$2,385,040,000</i>	<i>\$3,015,650,000</i>
NATO Security Investment Program	\$152,600,000	\$185,000,000	\$152,600,000
<u>Family Housing</u>			
DoD Family Housing Improvement Fund	—	\$7,000,000	\$7,000,000
Homeowners Assistance Fund, Defense	—	\$12,800,000	\$12,800,000
<i>Total, Family Housing</i>	<i>\$3,892,321,000</i>	<i>\$3,477,330,000</i>	<i>\$3,575,620,000</i>
<u>Base realignment & closure accounts</u>			
<i>Total</i>	<i>\$2,061,874,000</i>	<i>\$1,730,704,000</i>	<i>\$1,730,704,000</i>
<u>Grand Total</u>			
New budget (obligational) authority	\$9,208,468,000	\$7,784,074,000	\$8,480,574,000
Appropriations	(\$9,183,248,000)	(\$7,784,074,000)	(\$8,480,574,000)
Emergency appropriations	\$25,220,000	—	—